

## THE POLITE "BUSINESS" BURGLARY OF THE BEEF TRUST, AND THE HIGH PRICE OF MEAT

There isn't much need to hunt for the cause of the high cost of living after the revelations made at the trial of the packers.

These revelations are almost sad. They show such an immoral state of mind on the part of the packers.

There is now no question but that the packers were in a combine, a combine which dominated the meat industry, which fixed the prices of cattle on the hoof and the prices of dressed meats, which bullied the railroads and swelled the fortunes of the Armour, the Swifts and the Morris.

The old pool, hidden under the name of "P. O. Box 247" did that many years ago.

The packers were making \$22,000,000 profit out of this every year on their own showing.

Taking their own figures, this was a profit of over 12 per cent on their invested capital.

And their own figures were not correct. They were swollen by watered stock. This was proved clearly when the packers tried to raise a loan from Kuhn, Loeb & Co., and gave their own figures of \$182,000,000 as the value of their assets.

Jacob Schiff, manager of Kuhn, Loeb & Co., laughed at them. He told them bluntly that, at the most, their assets were worth \$90,000,000.

So, by the old pooling agreement, the packers were making a profit of 22.5 per cent on their

invested capital. Which is a pretty fair profit.

But they were not satisfied with this. They wanted to loot.

So they employed Albert H. Veeder to draw up a scheme whereby they could loot.

And here is the scheme Veeder suggested, a scheme so absolutely nefarious that even such past masters of looting as E. H. Harriman, James Stillman and Jacob Schiff paused aghast.

The packers were to merge all their interests.

They were to buy up all independent companies.

They were to incorporate, and issue bonds and preferred stock to themselves equal to their own idea of their actual, tangible assets—\$182,000,000.

They were to issue an additional \$25,000,000 worth of preferred stock to be divided among themselves. This was to be pure water, and was by way of being payment for having formed a merger.

This done, and they themselves in possession of all their real assets, they were to sell to the public nearly \$500,000,000 worth of common stock.

This was the big loot. It represented no real value. It was to be just plain water.

Of course, they had to christen this water before they could sell it to the public.

Lots of suckers will pay an extraordinary price for a gilded brick if you tell them it is gold. But no one outside a lunatic asy-